Supreme Court, U.S.
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No. 06-1207

IN THE

Supreme Court of the United States

DYSTAR TEXTILFARBEN GMBH & CO. DEUTSCHLAND KG,

Petitioner,

v.

C.H. PATRICK, CO. and BANN QUIMICA LTDA,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED FOR REVIEW

1. Whether the Federal Circuit's standard for appellate review in this case was properly applied and gave proper deference to the jury's verdict in accordance with the Seventh Amendment and other principles.

2. Whether the Federal Circuit properly considered all of the evidence of obviousness, including any objective indicia of non-obviousness, in reversing the District Court's judgment.

3. Whether the Federal Circuit properly considered the lack of substantial evidence, including testimony at trial, in reversing the District Court's judgment.

CORPORATE DISCLOSURE STATEMENT

Neither Respondent C.H. Patrick, Co. nor Respondent Bann Quimica LTDA has a parent corporation and no publicly held company owns 10% or more of the stock of either Respondent.

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STATUTE

35 U.S.C. § 103 1

STATEMENT OF THE CASE

Contrary to Petitioner's assertions, this case is not about whether the Federal Circuit has developed a "disturbing trend"[1] of substituting its facts for those found by a jury. Instead, this case is about whether in *this* particular case, under *this* particular set of circumstances, the Federal Circuit properly found insufficient substantial evidence to uphold the decision of the District Court.

This is a patent case concerning the invalidity of Petitioner's patent – U.S. Patent No. 5,587,992 ("the '992 patent").[2] The only real issue for review on appeal is whether the Federal Circuit followed proper legal analysis in deciding that the District Court had incorrectly refused to find claims of the '992 patent invalid for obviousness under 35 U.S.C. §103 based on prior art.

Interestingly, even though this is a case about a patent, Petitioner never really tells this Court what the patent is about or what its claims say. Instead, Petitioner makes broad brush characterizations about the Federal Circuit's perceived mistakes in this case as being reflective of mistakes in a myriad of other, unnamed, instances.

In order to understand that the Federal Circuit properly exercised and applied its reviewing power to the District Court judgment, one must comprehend the scope of the '992 patent and the relevance of the prior art. The '992 patent is directed to a process of dyeing textile materials, such as cotton cloth (e.g.,

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[1] Petitioner's Petition for a Writ of Certiorari, p. 2 (hereinafter abbreviated as "PC").

[2] A89 – A93. Cites in the form of "A#" are to the Joint Appendix filed with the Federal Circuit. Cites in the form of "A#/#" are to line numbers on the Joint Appendix pages cited.

denim), with an indigo dye. Specifically, the patent, as described by Petitioner's own witness at trial, requires that a cellulose-containing textile material, such as cotton, be dyed according to the following sequential steps:

1) introducing a pre-reduced indigo solution that has been prepared by a chemical process called "catalytic hydrogenation" into a dyebath;[3]

2) dipping the material to be dyed into the dyebath;[4] and

3) skying the material (i.e., removing the material from the dyebath and exposing it to air) so that the material is colored blue by contact with air.[5]

The process of the '992 patent is quite simple and requires essentially that a pre-reduced[6] solution of indigo made in a certain way (by catalytic hydrogenation) be placed into a dyeing vessel into which a material to be dyed will be dipped. The patent allegedly improved over past processes by employing a stabilized "solution" form of reduced indigo instead of using a stabilized solid or powder form of reduced indigo which had to first be made into solution by the dyer before being introduced to the dyebath where dipping would take place.

Contrary to Petitioner's statement in its petition, the three

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[3] A292/14 – 17; A294/2 – 7.

[4] A301/8 – 11; A292/18 – 21.

[5] A297/9 – 19; A292/22 – 25.

[6] "Reduced" with respect to indigo essentially means that the dye is in a chemical state of "reduction" (as opposed to "oxidation") that allows the indigo to be absorbed onto the textile fibers that are being dyed.

prior art patents issuing in 1906, 1908[7], and 1917, related to more than just the "making [of] indigo."[8] These three patents also disclosed the *same use of pre-reduced indigo solution* employed by the Petitioner in the '992 patent. That use involved the dyeing of textiles by introducing a pre-reduced solution of indigo into a dyebath.

The 1917 Brochet patent,[9] for example, is entitled "the Manufacture of Leuco Derivatives of Vat Dyestuffs." As the Federal Circuit recognized, the plain language of the Brochet patent discloses the process of preparing an aqueous solution of leuco (i.e., "reduced") indigo by catalytic hydrogenation,[10] which is chemically the same catalytically hydrogenated indigo solution employed in the '992 patent. In addition, the Federal Circuit noted that there can be no serious dispute that the ultimate use of a "dyestuff" is to dye textile materials.[11]

Furthermore, the Brochet patent actually says that the "great development in recent years in the *use of vat dye-stuffs* has drawn attention to the preparation of their leuco-derivatives, in which form *these* dye-stuffs are rendered soluble and can *alone be utilized.*"[12] Indeed, one of the '992 patent's inventors actually testified that such reduced indigo solutions were known to be

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[7] Petitioner actually refers to the "1907" Chaumat patent in its Petition (PC, p. 2 & n. 1) but it is actually a "1908" patent, U.S. Patent No. 885,978.

[8] PC, p. 2.

[9] U.S. Patent No. 1,247,927 (A2787 – 88).

[10] *DyStar v. C.H. Patrick Co.*, 464 F.3d 1356, 1361 (Fed. Cir. 2006).

[11] *DyStar*, 464 F.3d at 1361.

[12] Brochet Patent, col. 1, lns. 9 – 13 (A2787).

used in 1917 for dyeing,[13] and Petitioner's own expert witness even testified that the original owner of the '992 patent, BASF, had begun reducing indigo with catalytic hydrogenation and selling the reduced indigo to dyehouses in 1926.[14]

Likewise, the 1906 Wimmer patent[15] says that its indigo solution "can be placed on the market without any further treatment"[16] and, unlike prior indigo solution products that contained zinc metal particles, "*can be used for dyeing*" without separating the solution from the metal.[17] Again, there can be no question that this patent, like the 1917 Brochet patent, discloses a product and process nearly identical to that patented by Petitioner in its '992 patent.

Finally, the 1908 Chaumat patent[18] says that indigo solution "may be prepared on the spot and be *used at once for dyeing*"[19] and that "[i]t is possible to preserve the indigo solution indefinitely in a closed vessel and consequently to place this *solution* on the market for *use in dyeing*."[20] There is simply no question that these three patents disclose the use of a pre-reduced indigo solution in a process of dyeing textiles. In fact, the 1917 Brochet patent even discloses the use of a pre-reduced indigo

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[13] A319/17 – 20; A320/2, 7 – 9, & 13 – 15.

[14] A481/16 – 20.

[15] U.S. Patent No. 820,900 (A2783).

[16] Wimmer Patent, col. 1, lns 36 – 37 (A2783).

[17] Wimmer Patent, col. 1, ln. 36 – col. 2, ln. 40 (emphasis added) (A2783).

[18] U.S. Patent No. 885,978 (A2784 – 85).

[19] Chaumat Patent, col. 2, lns. 82 – 84 (A2784).

[20] Chaumat Patent, col. 2, lns. 108 – 111 (emphasis added) (A2784).

solution made by catalytic hydrogenation which is chemically identical to the solution used in the dyeing process of the '992 patent.

Moreover, both parties agreed that the other aspects of the '992 patent claims – dipping and skying – were well known in the art. The only issue left for the Federal Circuit to decide was whether there was substantial evidence to support the District Court's decision that this prior art did not make the '992 patent claims obvious as a matter of law. The Federal Circuit boiled that issue down to whether substantial evidence supported the conclusion that using stabilized catalytically reduced indigo in solution form, rather than in powder form coated with molasses, rendered the claimed process nonobvious to one of ordinary skill in the art.

Petitioner says that, in finding that substantial evidence was lacking in this case, the Federal Circuit: 1) violated Petitioner's Seventh Amendment right to a jury trial; 2) made its own factual findings that were "wrong" and "inconsistent"; 3) ignored precedent concerning obviousness determinations; and 4) developed a new testimonial corroboration requirement that conflicts with requirements in other circuits.[21] In making such arguments, Petitioner stresses the "importance" and "broadness" of these issues to both patent law and constitutional law.[22]

REASONS FOR DENYING PETITION

Contrary to Petitioner's urgings, this is not a case that is so important and so far-reaching that it justifies this Court's intervention. It is simply a garden variety patent invalidity case where the Federal Circuit properly reviewed the record from

[21] PC, pp. 3 – 4.

[22] PC, p. 4.

the District Court and decided that the record did not meet the substantial evidence standard to support the District Court's judgment.

The case was not important enough for even a single judge on the Federal Circuit to dissent from the refusal to grant a rehearing en banc. Moreover, the case was so ordinary that two very influential patent law organizations – American Intellectual Property Law Association and Intellectual Property Owners Association – declined to file amicus briefs here in support of this petition for certiorari, despite being requested by Petitioner to do so.

The question that was decided by the Federal Circuit was simply an ordinary question of patent law – whether this particular invention would have been obvious to one of ordinary skill in the art. The decision of the Federal Circuit that Petitioner's patent was obvious, and thus invalid, was both proper and fully supported by the evidence in this case.

I. THE FEDERAL CIRCUIT DID NOT USURP THE ROLE OF THE JURY BUT INSTEAD PROPERLY REVIEWED THE EVIDENTIARY RECORD AND CONCLUDED THAT THE DECISION OF THE DISTRICT COURT WAS NOT SUPPORTED BY SUBSTANTIAL EVIDENCE.

The petition for writ of certiorari is long on rhetoric and short on the substance of this case. Instead of focusing primarily on the events of the present situation, Petitioner accuses the Federal Circuit of "regular[ly]" infringing a party's Seventh Amendment rights and argues that, "[s]ince its inception", the court has been "overstepping its bounds as an appellate court."[23] Petitioner describes the Federal Circuit as being a "super jury"

[23] PC, pp. 6 – 7.

and complains that it ignores the "most basic rules of judicial procedure."[24] It ultimately asks the Supreme Court to slap the Federal Circuit's hand and "remind the Federal Circuit of its proper role as an appellate court and to instruct that it must cease substituting its judgment for that of a reasonable jury."[25] What Petitioner avoids mentioning, however, is the fact that what the court may or may not have done in other cases is irrelevant to whether certiorari should be granted in the present case. It is this case, between these litigants, that is up for review. If the Federal Circuit overstepped its bounds and failed to follow the law in this case, then certiorari may be granted. Here, however, the facts and circumstances show that the Federal Circuit properly reviewed the District Court judgment and the evidentiary record and concluded, as a matter of law, that the judgment finding the '992 patent valid[26] was not supported by substantial evidence.

A. The Question of Obviousness of a Patent is a Question of Law for the Court and Was Correctly Decided Here by the Federal Circuit.

"Obviousness is a question of law," *Bowers v. Baystate Technologies, Inc.*, 320 F.3d 1317, 1323 (Fed. Cir.) (citing *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966) for the proposition), *cert. denied*, 539 U.S. 928 (2003), and the "ultimate determination of obviousness" is reviewed "de novo." *Akamai Technologies, Inc. v. Cable & Wireless Internet Services, Inc.*, 344 F.3d 1186, 1195 (Fed. Cir. 2003). Not surprisingly, Petitioner

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[24] PC, p. 13.

[25] PC, p. 8.

[26] Courts actually speak in terms of "finding a patent not invalid" because a patent is presumed valid and the burden of proof is on the defendant to prove invalidity.

cites obviousness cases in its petition, but never once admits that the ultimate conclusion of obviousness is a matter of law for the Court to decide.

When a losing party suggests that it has been deprived of its "constitutional right to a jury trial," the Court should review exactly what "right" is allegedly being denied. Here, with respect to a determination of obviousness, and unlike its underlying factual findings, there is no right to a jury trial on the ultimate issue of obviousness. *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 762, 765 & 769 (Fed. Cir. 1988), *cert. denied*, 493 U.S. 814 (1989). Thus, the Federal Circuit appropriately determined the obviousness of Petitioner's invention itself.

There was no denial here of a trial by jury on the factual findings underlying the determination of obviousness. Petitioner had that opportunity and the Federal Circuit addressed the jury's implicit findings to determine if substantial evidence supported them. *See SIBIA Neurosciences, Inc. v. Cadus Pharmaceutical Corp.*, 225 F.3d 1349, 1354 (Fed. Cir. 2000). The Federal Circuit did not make findings that usurped the jury's role; instead, when it ruled against Petitioner, it assumed all of the factual findings necessary to support the jury's general verdict, determined that certain findings were not supported by substantial evidence, and then determined that the district court erred as a matter of law in not granting the JMOL motion for obviousness. That review is the proper course for an appellate court. Petitioner's characterizing of the Federal Circuit as a "super jury", saying that the court has "backslid" into substituting its own view for that of the jury's, and arguing that the Federal Circuit usurped the jury's role merely because Petitioner does not like the outcome of the substantial evidence analysis, cannot rescue Petitioner from its failure to grasp the evidence at trial (or lack thereof) and the Federal Circuit's correct legal conclusion.

Petitioner's position here is that the Federal Circuit is always wrong when it reverses a District Court's jury finding. That cannot be the case. If it were, there would never be a need for the Federal Circuit to apply the substantial evidence test to a jury verdict. The jury, and ultimately the District Court, would always be right. Petitioner's argument fails to recognize that sometimes, as here, the substantial evidence test is simply not met by the record.

B. The Level of Skill Finding Was Properly Reviewed by the Federal Circuit Based on the Invention of the '992 Patent and on the Level of Skill Actually Presented by Petitioner.

Petitioner argues that the Federal Circuit incorrectly ignored the jury's factual findings and then selected the Respondents' definition of the level of skill in the art.[27] Petitioner couches the Federal Circuit's decision in this manner so that it can set up its necessary straw man argument that the court made a factual finding on the level of ordinary skill. However, the court did not decide the level of skill here – instead the Federal Circuit assumed, as it must, that the jury determined that the level of skill was that of a "dyer." The court then concluded that the only level of skill which a reasonable juror could have found was that of a "dyeing process engineer." That conclusion is entirely correct.

At trial, Respondents said that the level of skill was that of a dye process designer who would have knowledge and experience in the chemistry of applying indigo; Petitioner argued that the level of skill was that of a dyer who would "flip switches" and run the dyeing process. In fact, Petitioner even

[27] The "level of ordinary skill in the art" is a factor to consider in making the determination as to whether an invention is obvious. *See Graham*, 383 U.S. at 17.

went so far as to say that one of ordinary skill was merely someone who could "read and write" and who has "a high school diploma."

However, Petitioner fails to tell this Court that its own expert witness also characterized those of ordinary skill as being the ones who are deciding "what needs to be done, the recipes, the procedures, etc." (i.e., the dyeing process designers) and were not the people who were "flipping switches and turning valves" (i.e., the dyers).[28] Petitioner cannot have this Court, or the Federal Circuit, ignore that evidence merely to justify the jury verdict. The Federal Circuit correctly used Petitioner's own testimony to properly conclude that "substantial evidence does not support the jury's [presumed] finding that a person of ordinary skill is a dyer with no knowledge of chemistry."[29]

In addition and very importantly, a solution of reduced indigo prepared by catalytic hydrogenation is an actual claim limitation of the '992 patent.[30] Because there was no catalytically hydrogenated leuco indigo solution available on the market at the time of filing the patent application, the only way that the invention could have been practiced was for one of ordinary skill to have made the catalytically hydrogenated indigo solution himself. That person would have been more than a "dyer" and would have needed the necessary training in and knowledge of chemistry in order to make the claimed solution.

Finally, the Federal Circuit appropriately recognized that the assumed finding regarding level of skill was "inconsistent

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[28] TT401/21 – 402/14. "TT#/#" refers to the page and line number of the district court trial transcript that was not part of the Joint Appendix at the Federal Circuit.

[29] *DyStar*, 464 F.3d at 1362.

[30] '992 Patent, col. 7, ln. 1 – 2 (A93).

with the '992 patent's very purpose."[31] That purpose was to find an improved process for dyeing textile materials with indigo. Certainly, someone who was limited to "flipping switches" would not have had the skills necessary to carry out that purpose.

C. The Scope and Content of the Prior Art Was Properly Reviewed by the Federal Circuit.

Petitioner's next argument is quite unique and, when understood, is completely illogical. Petitioner says that the claimed method of the '992 patent was unknown because a book entitled *The Application of Vat Dyes*, which Respondents' expert admitted to be written to one of ordinary skill in the art, "did not contain any mention of the early twentieth century patents or even hint at the method described in the '992 patent."[32]

There was no evidence, however, that *The Application of Vat Dyes* sought to cite all prior art that was relevant to the '992 invention. In fact, it is doubtful that any author would undertake that effort or have such an intention. In effect, Petitioner is actually suggesting that this Court adopt a legal construct that says: If a text is admittedly written to one of ordinary skill in the art but does not mention a particular prior art reference, then the unmentioned prior art reference cannot be considered as relevant prior art. That would be a completely illogical standard – one reference cannot possibly cite all prior art analogous to an invention. If Petitioner's construct were adopted, the prior art scope and content prong of the *Graham* obviousness test would be stood on its head.

Scope and content of the prior art is one of the prongs of

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[31] *DyStar*, 464 F.3d at 1362.

[32] PC, pp. 9 – 10.

the *Graham* obviousness determination.[33] Any prior art that is "analogous" to the invention can be used to invalidate a patent and "analogous art" is art that is in the same field of the inventor's endeavor or reasonably pertinent to the particular problem with which the inventor is involved. *In re Bigio*, 381 F.3d 1320, 1325 (Fed. Cir. 2004). Despite Petitioner's continued attempt to avoid their plain language, there is simply no question that the 1917 Brochet, 1906 Wimmer, and 1908 Chaumat patents are in the same field (indigo dyeing) as the Petitioner's patent and are pertinent to the problem of the '992 patent (using reduced indigo solutions in an indigo dyeing process to avoid pre-mixing dried chemicals in a "stock vat"). Thus, the three patents are clearly analogous and relevant art.

In addition, as explained above and contrary to Petitioner's arguments, each of the three patents says that its indigo solutions are used for dyeing. Petitioner uses unique arguments in an attempt to avoid the real teachings of the 1917 Brochet patent, the 1906 Wimmer patent, and the 1908 Chaumat patent, but each argument fails.

First, with respect to the Brochet patent, Petitioner says that because a contemporaneous article written by Brochet discusses only the use of indigo solution in the making of other products, this necessarily means that that is the Brochet patent's only "use" for indigo solution.[34] The fact that the Brochet article does not mention use of the solution as a "dye" is unconvincing. Petitioner's argument can be compared to a situation where a conversation occurs that involves two subjects and then a later conversation occurs that involves only one of the two subjects. Petitioner would have this Court believe that the failure to mention both subjects in the second conversation necessarily

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[33] *Graham*, 383 U.S. at 17.

[34] PC, p. 10.

means that one of the subjects was not discussed in the first conversation. That is totally illogical.

Petitioner also says that the 1924 *Colour Index*[35] somehow makes the present invention nonobvious.[36] Petitioner apparently bases that argument on the fact that the Brochet patent is listed under a column in the *Colour Index* which suggests that it forms an "unstable" solution and, thus, could not be used for dyeing. Petitioner, however, continues to overlook the fact that one of the patents listed in the same column as the Brochet patent says that its solution "is ready for use in the dye-bath."[37] This must mean that this other patent and the Brochet patent are both sufficiently "stable" for use. Simply put, no significance can be attached to the listing of the Brochet patent in a particular column in the *Colour Index.*

Petitioner carefully avoids mentioning that the title of the Brochet patent says that its invention is for "Manufacture of Leuco Derivatives of Vat Dyestuffs",[38] that the only vat dye[39] exemplified for manufacture in the Brochet patent is indigo, and that Brochet says the "great development in recent years in the use of vat dye-stuffs has drawn attention to the preparation of their leuco-derivatives, in which form these dye-stuffs are rendered soluble and can alone be utilized."[40] The Brochet patent

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[35] A3445 – 51.

[36] PC, p. 10 – 11.

[37] U.S. Patent No. 794,049, col. 2, lns. 71 – 72 (A2791 – A2792; A1881).

[38] Brochet Patent (A2787).

[39] The Petitioner patent recognizes that "[i]ndigo is a well-known *vat dye*." (A90/col. 1/11).

[40] Brochet Patent, col. 1, lns. 9 – 13 (A2787).

is thus clearly directed to "vat dyestuffs" such as indigo which, obviously, are to be used in "dyeing."

Additional evidence from one of Petitioner's own witnesses confirms that one of ordinary skill in the art would clearly have understood that the indigo solution set forth in the Brochet patent was to be used for dyeing. Franz Suetsch, one of the '992 patent inventors, said that "dyestuffs" such as those disclosed in the Brochet patent are presumed to be used for dyeing and even admitted that it could be properly assumed that the Brochet leuco indigo solution was "used for dyeing at some point in time."[41]

Petitioner also says that the Federal Circuit substituted its factfinding for the jury's by failing to give credence to a 1939 Wimmer article in which Dr. Wimmer explained that his reduced indigo solution was used as an intermediate to make a solid product.[42] Petitioner says that because the article discusses only the use of reduced indigo solution as an intermediate, this necessarily means that the Wimmer patent's only "use" for leuco indigo solution is as an intermediate.[43]

However, the fact that the Wimmer article does not mention use of the solution to dye is a complete red herring. First, the Wimmer patent's plain language says that its indigo solution "can be used for dyeing."[44] Secondly, the fact that the Wimmer article did not mention "dyeing" is irrelevant. The failure of a publication to mention something that is stated in a separate publication does not detract from the plain language statement in that separate publication.

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[41] A1012/6 – 7; A3901/8 – 3903/3.

[42] PC, at pp. 11 – 12.

[43] PC, at pp. 11 – 12.

[44] Wimmer Patent, col. 1, ln. 35 – col. 2, ln. 40 (A2783).

Finally, Petitioner attempts to overcome the plain language of the Chaumat patent which says, in pertinent parts, that indigo solution "may be prepared on the spot and be used at once for dyeing"[45] and that "[i]t is possible to preserve the indigo solution indefinitely in a closed vessel and consequently to place this solution on the market for use in dyeing."[46] Petitioner fails miserably to square that plain language with its argument that the Chaumat patent could not be used as a dye.[47]

D. Best Real World Evidence Here Indicates That the '992 Patent Is Invalid.

What is relevant here, however, is something that Petitioner avoids telling this Court – someone who was aware of the relevant prior art actually did "invent" the patented process prior to Petitioner. The very process and product which caused this litigation were actually created by one of the Respondents six years before the Petitioner filed its patent. Mr. Bann, the founder of one of the Respondents, learned how to dye with indigo in 1941[48] and developed his own indigo solution in 1987 from the prior art.[49] It was that indigo solution that he developed and then sold into the United States which resulted in this patent infringement action from Petitioner.

This is the best "real world" evidence of how obvious the '992 invention really would have been at the time of the alleged

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[45] Chaumat Patent, col. 2, lns. 82 – 84 (A2784).

[46] Chaumat Patent, col. 2, lns. 108 – 111 (emphasis added) (A2784).

[47] PC, at p. 12.

[48] A902/7 – 16.

[49] A913/7 – 21; A914/1 – 19; A818/25 – A819/19; A819/20 – A820/8; A820/18 – 21; A823/2 – 14.

invention. Here, six years before Petitioner's alleged invention, an indigo dye manufacturer, who knew some of the prior art, applied those references in actually developing the product and the process set forth in the '992 patent. Even though this was done in Brazil and, thus, does not qualify as invalidating prior art under the U.S. patent laws, it was all done before the Petitioner's patent application was filed. Such evidence of prior independent invention supports the Federal Circuit's conclusion that the '992 patent claims would have been obvious to one of ordinary skill in the art. *See Ecolochem, Inc. v. Southern California Edison Co.*, 227 F.3d 1361, 1379 (Fed. Cir. 2000), *cert. denied*, 532 U.S. 974 (2001); *Monarch Knitting Machinery Corp. v. Sulzer Moral GmbH*, 139 F.3d 877, 883 – 84 (Fed. Cir. 1998).

II. NO PRECEDENT WAS IGNORED AND NO NEW CAPABILITY STANDARD WAS CREATED WHEN THE FEDERAL CIRCUIT CONSIDERED THE SECONDARY CONSIDERATIONS OF NON-OBVIOUSNESS.

Petitioner argues that the Federal Circuit ignored secondary considerations present in this case and laid down a new rule that says "secondary considerations of non-obviousness are no longer relevant."[50] However, the court did no such thing. The Federal Circuit recognized that "certain secondary considerations of nonobviousness" were present and even considered them, but concluded that those considerations were "insufficient as a matter of law to overcome our conclusion that the evidence only supports a legal conclusion" that the claims would have been obvious.[51]

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[50] PC, p. 16.

[51] *DyStar*, 464 F.3d at 1371.

A. Substantial Evidence Does Not Support the Secondary Considerations Urged by Petitioner.

Petitioner now specifically alleges that all of the following are "unrebutted" secondary considerations that the Federal Circuit overlooked.[52] As with other issues in this case, when the smoke is cleared and the true facts are considered, each of Petitioner's alleged "unrebutted" considerations is actually not supported by substantial evidence:

1) Evidence of skepticism – While some in-house employees of the Petitioner may not have known about the 1917 Brochet patent, the 1906 Wimmer patent, and the 1908 Chaumat patent, the fact of the matter is that the invention of the '992 patent was already available in, or obvious to, the public domain. This perceived "skepticism" by the inventors' co-workers can simply not be squared with the abundant prior art showing that Petitioner did not develop anything unique and unobvious.

2) Praise for the invention – Again, the fact that those praising the invention may not have known about the prior art patents disclosing the invention does not give rise to a supportable secondary consideration that there was "praise" for an unknown invention.

3) Copying of the invention – This is the strangest of all of Petitioner's arguments. As explained above, one of the Respondents actually created this invention several years *before* Petitioner's employees re-discovered the invention for themselves. It was unrefuted that one of the Respondents learned how to dye with indigo in 1941 and developed its own indigo solution in 1987 from the prior art. Respondents could not have possibly copied the invention if they created it six years earlier.

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[52] PC, pp. 17 - 18.

4) Unexpected results for the invention – Petitioner argues that the method of the '992 patent provides "better" characteristics. However, there is no law equating "better" with "unexpected." There was no substantial evidence supporting the fact that the results of using an indigo solution would be "unexpected", particularly when the process had been around for almost eighty years at the time.

5) Failure of others to solve the problem – Petitioner argues that the '992 patent inventors repeatedly failed in arriving at their invention. What Petitioner forgets is that the inventors did not really "fail" at anything. Instead of developing something unique and unobvious, the inventors merely re-introduced a product that the Petitioner's predecessor, BASF, had on the market prior to World War II. The law does not say that re-introduction of an old product to run in an old process is patentable; and, there certainly is no law that allows an inventor to patent something that is old by merely waiting a sufficient number of years after its first introduction. That is exactly what the inventors did here – they patented something that had been around since at least 1917 when the Brochet patent issued.

Petitioner also says that Buffalo Color attempted but failed at supplying an indigo solution. That is an incorrect statement directly contradicted by uncontroverted testimony at trial. If Petitioner's statement were true, then this case probably would not have gotten this far. One of the Respondents had sold the catalytically hydrogenated indigo solution to Buffalo Color in 1994 and 1996[53] that Petitioner describes as a "failure." That indigo solution was the same solution that Respondents sold in 2002 which resulted in Petitioner bringing the present lawsuit. If the solution had truly "failed", then Petitioner would not have had a reason for bringing this action against Respondents.

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[53] A933/17 – A934/14.

6) Commercial success – With respect to commercial success, Petitioner admitted that its leuco indigo solution was only one of many dyes sold as a "package" of dyes and that it only made up 5% of the total number of dyes that Petitioner sells to a customer.[54] Moreover, Petitioner's "service" is very important in making sales of the indigo solution[55] and 60 % of Petitioner's U.S. customers did not even use Petitioner's indigo solution.[56] Despite how Petitioner tries to twist and turn the evidence on commercial success, the bottom line is that Petitioner's sales of leuco indigo solution have more to do with the dye "package" and "service" provided by Petitioner than the product/process itself.

Moreover, any commercial success stemming from sales of Petitioner's indigo solution must have been due to something other than the claimed invention itself or Buffalo Color would have continued selling the same product in 1994 and 1996.

7) Long-felt need – Petitioner says that a "long-felt need" is shown by the passage of almost eighty years between the 1917 Brochet patent and the filing of the '992 patent.[57] However, the fact that eighty years passed between the original creation of an invention and then it's "rediscovery" is irrelevant. Petitioner fails to explain how the mere passage of time creates a "long-felt need." Moreover, the facts at trial showed that any "need" prior to the '992 patent was not "long-felt" and was actually confined to Petitioner's customers that were using a "special process . . . in two dyehouses over the world."[58]

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[54] A403/17 – 20; A403/25 – A404/9.

[55] A402/12 – 17.

[56] A403/4 – 16.

[57] PC, p. 18.

[58] A237/17 – A238/10.

Even if secondary considerations had existed here and were supported by substantial evidence, this is a case where such considerations could "not [have] overcome the clear and convincing evidence that the subject matter sought to be patented is obvious." *Richardson-Vicks v. The Upjohn Co.*, 122 F.3d 1476, 1484 (Fed. Cir. 1997). Therefore, secondary considerations should be irrelevant to the analysis even if they were present.

B. No New Test of Obviousness Was Created Here.

Petitioner also argues that the Federal Circuit created a new test of obviousness that says if a combination of references results in a more desirable product or process, then the only question to determine if the invention is obvious is whether one of ordinary skill is then capable of combining the references.[59] This is an extremely tortured and twisted view of the Federal Circuit's analysis on this issue.

The portion of the Federal Circuit opinion about which Petitioner complains deals with whether there was a "motivation to combine" the references.[60] Petitioner relies heavily on the emphasis that the Federal Circuit placed on the word "capable" when it said that in situations where there is no "hint of suggestion *in the references themselves*," then the question is whether one of ordinary skill possesses the knowledge and skills rendering him capable of combining the references.[61] The Federal Circuit then proceeded to discuss in detail three cases which highlighted and characterized what the court was saying.

In particular, all that the Federal Circuit said in this regard was that the suggestion to combine references did not need to

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[59] PC, p. 22.

[60] See heading "2c" of *DyStar*, 464 F.3d 1364.

[61] *DyStar*, 464 F.3d 1368 (emphasis added).

come from the *references themselves*. Instead, that motivation or suggestion could come from the fact that one of ordinary skill in the art would necessarily seek a cheaper, stronger, lighter, faster, etc. method of improving an already-existing product.

This is not a "new capability standard" as Petitioner suggests. Instead, this is merely a realization that the motivation to combine can come from the knowledge and desires of those in the field and does not have to come from any actual statement in the prior art references themselves. This refinement of the "motivation to combine" test from the Federal Circuit certainly does not ring the death bell for the secondary considerations (e.g., commercial success, long felt need, passing of significant time, failure of others, etc.) as alleged by Petitioner.

III. THE FEDERAL CIRCUIT DID NOT ESTABLISH A NEW RULE REQUIRING THAT ALL TESTIMONY IN PATENT CASES BE CORROBORATED.

Petitioner's last argument is that, by characterizing an inventor's testimony as a "bare assertion" that was "undocumented and non-specific", the Federal Circuit created a new rule requiring that all testimony in patent cases be corroborated. Nothing could be further from reality.

When the Federal Circuit characterized the inventor's testimony in the manner that it did, the court was commenting on Petitioner's argument that others were skeptical that the invention would work. Specifically, the inventor had testified that his co-workers had believed that the indigo solution would "stain the yarn" or "block the pipes."[62] The Federal Circuit may have used the terms "bare assertion" and "undocumented" in characterizing the inventor's testimony, but the court was clearly not referring to a requirement that written corroboration or

[62] *DyStar*, 464 F.3d at 1363, 1371.

secondary testimony was needed in order to turn the co-workers' comments into facts. Instead, the Federal Circuit was merely suggesting that more explanation was needed from the inventor's mouth as to why the co-workers were skeptical and what they meant by "staining" the yarn and "blocking" the pipes.

The court's noting that there was not even a "brief explanation of the chemistry underlying this assumption"[63] is very instructive. The Federal Circuit was looking for a comparison of the inventive compound with old products that were then in use and an explanation as to how the use of indigo solution would overcome any problems, including the chemistry behind that explanation.

There was no "new" corroboration evidentiary/proof requirement established by the Federal Circuit. When the Federal Circuit desires to establish a new rule or requirement, it knows how to do such in clear and unambiguous terms. That was not the case here. There is no such new "corroboration" requirement for testimony. There was merely a concern that Petitioner did not put on enough (and thus not "substantial") evidence in order to prove the existence of skepticism by its employees. That does not give rise to a "new" requirement of proof.

IV. THE FEDERAL CIRCUIT'S DECISION COMPORTS WITH THIS COURT'S MOST RECENT CASELAW ON OBVIOUSNESS.

If Petitioner seeks a "reminder" to Respondents of the Federal Circuit's role in determining obviousness, then this Court has already provided that in its recent pronouncement of *KSR Int'l Co. v. Teleflex Inc.*, No. 04-1350, 550 U.S. __ (Apr. 30, 2007). In that case, this Court rejected a rigid approach in determining obviousness. Instead, the approach to

[63] *DyStar*, 464 F.3d at 1371.

determining obviousness was described as "expansive and flexible." *KSR*, No. 04-1350, 550 U.S. __, slip op. at 4.

The Court explained that "precise teachings directed to the specific subject matter of the challenged claim" were not required and that "a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *Id.* at 14. While the '992 patented invention was obvious under the former Federal Circuit caselaw, it is clearly obvious under the terms set forth by the Supreme Court in *KSR*. In fact, this Court said as much in the *KSR* opinion itself.

In the present circumstances, every element of the '992 patent was already known long before the '992 patent was ever filed:

1) pre-reduced indigo solutions had been made by catalytic hydrogenation;

2) pre-reduced indigo solutions had already been used to dye textiles by introducing the solutions to the dyebath; and

3) the process of indigo dyeing had long included the steps of dipping the material to be dyed into the dyebath and then removing it in order to turn the indigo blue upon exposure to air.

As in *KSR*, at the time of the invention here, there was a known problem. The '992 patent itself explains that when solid and other forms of indigo are used in the dyeing process, they must be "vatted" into a water-soluble reduced form of indigo before being added to the dyebath.[64] The "disadvantage" of such processes is the creation of high concentrations of sulfate or dissolved organic hydroxyl compounds in the dyehouse waste

[64] '992 Patent, col. 1, lns. 14 – 17 (A90).

water.[65] A known way to avoid this problem was through the use of solution forms of indigo. One of those solution forms of indigo was the catalytically hydrogenated version which had been developed in 1917 pursuant to the Brochet patent. This was, in this Court's words, "an obvious solution encompassed by the patent's claims" existing "at the time of the invention." *Id.* at 16. Avoiding the high concentrations of chemicals in the waste water was the "need or problem known in the field of endeavor at the time of invention and addressed by the patent" and was, thus, the "reason for combining the elements in the manner claimed." *Id.*

This Court has even recognized that the Federal Circuit applied the proper test in this very case. In the *KSR* opinion, the Court explained that the Federal Circuit has "elaborated a broader conception of the TSM test than was applied" *Id.* at 17-18. The Court noted that the *DyStar* decision was a case where the errors of law made by the Federal Circuit in *KSR* were corrected and the Court suggested that the analysis in *DyStar* may have been "more consistent with [the Supreme Court's] earlier precedents." *See KSR*, No. 04-1350, 550 U.S. __, slip op. at 18.

V. THE FEDERAL CIRCUIT DID NOT EVEN NEED TO USE SOME OF THE BEST PRIOR ART IN ORDER TO LEGALLY CONCLUDE THAT THE '992 PATENT WAS OBVIOUS AND, THUS, INVALID.

In overturning the district court, the Federal Circuit only used a few of the prior art references that clearly indicate that Petitioner's inventors merely re-introduced a product in 1992 that its predecessor, BASF, had on the market prior to World War II. The fact that the inventors' co-workers may not have

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[65] '992 Patent, col. 1, lns. 28 – 31 & lns. 42 – 45 (A90).

understood the chemistry and may not have known about this prior art does not mean that the invention was patentable.

Of the various prior art combinations, one of the strongest not used by the Court, but which was presented at trial and argued on appeal, is the combination of the 1936 Manual for Dyeing Cotton[66] with either the Brochet patent[67] or the BIOS Report.[68] The plain language of these references clearly and convincingly invalidates the '992 patent and shows that, by at least 1936, BASF was promoting the use of a leuco indigo solution for direct use in an indigo dyeing process.

Specifically, a product identified by the name "Indigo Solution BASF 20%" was known to exist in the 1936 Manual and was described for use in a cotton dyeing procedure.[69] The product, which had the same name as the product Petitioner sold some 50 years later for use in its patented process,[70] was to be added "directly to the dyevat" through a "lateral tube ending near the bottom of the vat."[71] This "direct addition" of a leuco indigo solution in an indigo dyeing process is exactly what Petitioner says it invented in 1992.[72]

As admitted by Petitioner, both the Brochet patent and a document known as the "BIOS Report" teach the making of a

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[66] A2895 – 2977.

[67] AA2787 – 88.

[68] AA3326 – 62.

[69] A2939.

[70] TT68/9 – 69/25; A339/6 – 10; A340/22 – 341/6.

[71] A2957.

[72] A213/16 – 24.

reduced indigo solution by catalytic hydrogenation. Petitioner also admitted that BASF began in 1926 to make reduced indigo solutions by catalytic hydrogenation as claimed in the '992 patent. When the teachings of using solutions of reduced indigo directly in an indigo dyeing process as set forth in the 1936 Manual are combined with teachings of making reduced indigo solutions by catalytic hydrogenation, then all limitations of the '992 patent were known to one of ordinary skill in the art. Such substantial evidence of obviousness simply cannot be overcome by secondary considerations concocted by Petitioner.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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